

EXHIBIT K

PROPOSED RATE DESIGN AND CLASS ALLOCATION FACTORS FOR REVISED RATES

**Combined Application of South Carolina Electric & Gas Company for a
Certificate of Environmental Compatibility and Public Convenience and
Necessity and for a Base Load Review Order
Public Service Commission Docket No. 2008-196-E**

1. INTRODUCTION

This **Exhibit K** provides the 2007 summer peak demand allocators for SCE&G's retail electric service which as required by S.C. Code Ann. § 58-33-270(D) have been calculated using the methodology approved by the South Carolina Public Service Commission in the order in SCE&G's most recent retail electric rate proceeding, Order No. 2007-855. The summer peak demand allocator is the peak demand allocator historically used by the Commission in setting SCE&G's rates and was calculated in the same way as the peak demand allocator used in Order No. 2007-855.

2. RATE DESIGN

Attached as **Chart A** to this **Exhibit K** is the rate design on which the rates proposed for approval in this proceeding are based. The rate design contained in **Exhibit K, Chart A** is based on the revenue requirements associated with CWIP associated with VCSNS Units 2 & 3 outstanding as of June 30, 2008. That revenue requirement is set forth in **Exhibit M** to this Application. **Exhibit K, Chart A** reflects the allocation of that revenue requirement among the various retail electric rates approved for collection by SCE&G in Order 2007-855. Subject to SCE&G's proposed treatment of the Basic Facilities Charge as set forth in Paragraph 22 of the Combined Application, this allocation is consistent with the rate design approved by the Commission in Order No. 2007-855. Tariff sheets incorporating the proposed rates are found in **Exhibit N** to this Application.

3. ALLOCATORS

**South Carolina Electric & Gas Company
Summer 2007 Retail Peak Demand Allocation**

<u>Class</u>	<u>KW Demand</u>	<u>% of Retail</u>
Residential	2,163,867	48.10%
Small General Service	809,051	17.98%
Medium General Service	506,749	11.27%
Large General Service	<u>1,019,021</u>	<u>22.65%</u>
Retail Total	4,498,688	100.00%

SOUTH CAROLINA ELECTRIC & GAS COMPANY**RATE DESIGN SUMMARY
INCREASE ON MAY, 2008 RATES**

RATE	MAY, 2008 REVENUE	PROPOSED REVENUE	\$ CHANGE	% CHANGE
	COL. 1	COL. 2	COL. 3	COL. 4
RESIDENTIAL				
Rate 1 - Good Cents	\$ 38,076,304	\$ 38,269,600	\$ 193,296	0.51%
Rate 2 - Low Use	\$ 3,233,926	\$ 3,249,354	\$ 15,428	0.48%
Rate 5 - Time-of-Use (KWH Only)	\$ 161,557	\$ 162,262	\$ 705	0.44%
Rate 6 - Energy Saver / Conservation	\$ 51,622,096	\$ 51,883,771	\$ 261,675	0.51%
Rate 7 - Time-of-Use Demand	\$ 1,221	\$ 1,228	\$ 7	0.57%
Rate 8 - Residential	\$ 735,055,847	\$ 738,906,956	\$ 3,851,109	0.52%
Total Residential Class	\$ 828,150,951	\$ 832,473,171	\$ 4,322,220	0.52%
SMALL GENERAL SERVICE				
Rate 3M - Municipal Power	\$ 13,060,939	\$ 13,120,691	\$ 59,752	0.46%
Rate 9 - Small General	\$ 268,113,710	\$ 269,438,049	\$ 1,324,339	0.49%
Rate 29 - Small General (Unmetered)	\$ 654,903	\$ 658,140	\$ 3,237	0.49%
Rate 10 - Small Construction	\$ 1,021,158	\$ 1,024,419	\$ 3,261	0.32%
Rate 11 - Irrigation	\$ 1,033,401	\$ 1,037,968	\$ 4,567	0.44%
Rate 12C - Church	\$ 14,427,376	\$ 14,478,805	\$ 51,429	0.36%
Rate 13 - Municipal Lighting	\$ 445,996	\$ 447,875	\$ 1,879	0.42%
Rate 14 - Farm	\$ 2,033,883	\$ 2,043,521	\$ 9,638	0.47%
Rate 16 - Time-of-Use	\$ 296,237	\$ 297,610	\$ 1,373	0.46%
Rate 22S - School	\$ 34,611,892	\$ 34,766,817	\$ 154,925	0.45%
Total Small General Service Class	\$ 335,699,495	\$ 337,313,895	\$ 1,614,400	0.48%
MEDIUM GENERAL SERVICE				
Rate 20 - Medium General	\$ 165,360,407	\$ 166,192,985	\$ 832,578	0.50%
Rate 21 - Time-of-Use	\$ 6,676,968	\$ 6,713,506	\$ 36,538	0.55%
Rate 21A - Experimental Time-of-Use	\$ 26,866,157	\$ 27,007,032	\$ 140,875	0.52%
Total Medium General Service Class	\$ 198,903,532	\$ 199,913,523	\$ 1,009,991	0.51%
LARGE GENERAL SERVICE				
Rate 23 - Industrial Power	\$ 241,067,164	\$ 242,159,107	\$ 1,091,943	0.45%
Rate 24 - Time-of-Use	\$ 133,558,974	\$ 134,195,740	\$ 636,766	0.48%
Contracts	\$ 90,436,985	\$ 90,742,864	\$ 305,879	0.34%
Total Large General Service Class	\$ 465,063,123	\$ 467,097,711	\$ 2,034,588	0.44%
TOTAL			\$ 8,981,199	